

Exhibit No. (DFK-2)

Page 1 of 3

RATE PR – QUALIFYING FACILITY STORAGE

FOR BATTERY STORAGE THAT MEETS THE REQUIREMENTS
FOR A QUALIFYING FACILITY UNDER THE PURPA AND S.C.

ACT NO. 62 OF 2019

(Page 1 of 3)

AVAILABILITY

Available to any entity ("Seller") that enters into a power purchase agreement (the "PPA") with Dominion Energy South Carolina, Inc. (the "Company") for ~~any battery storage unit~~ the Company to purchase energy and capacity from a renewable energy generator that is a Qualifying Facility ("QF") as defined by the Federal Energy Regulatory Commission ("FERC") Order No. 70 under Docket No. RM 79-54 (the "Generating QF"), ~~that is either DC- or AC-coupled with a battery storage QF (the "Storage QF"), where such Storage QF that~~ directly receives input of electric energy from ~~a renewable generation facility that is a QF (the "the~~ Generating QF"); provided, however, that the discharge capacity of the Storage QF must be at least 5 MW-AC and no greater than 25% of the power production capacity in MW-AC of the Generating QF.

No QF shall be eligible for this schedule if the power production capacity of such QF, when combined with the power production capacity of all other QFs (i) located within one mile, (ii) using the same generating resource, and (iii) under common ownership, would exceed 80 MW-AC.

This schedule shall be not be available to a Storage QF that intends to pair with a Generating QF that has an executed PPA, the term of which has not expired.

CHARACTER OF SERVICE

The Storage QF must:

1. Be directly connected to the Generating QF via an internal power line (i.e., power may not be transmitted from the Generating QF to the Storage QF via an external distribution line);
2. Receive 100% of its electric input directly from the Generating QF;
3. Not provide all or any portion of its capacity for sale or consumption by anyone, including the Generating QF, other than the Company;
4. Implement and maintain communication equipment that will allow the ~~Company to control the operation~~ Storage QF to operate in accordance with the Company's dispatch signals (e.g., charges and discharges) ~~of the Storage QF in compliance with the Company's specifications;~~
5. Have the ability to maintain its ~~nameplate power production~~ discharge capacity and, when fully charged, to deliver its ~~nameplate power production~~ discharge capacity for at least four (4) consecutive hours less any degradation agreed upon in the PPA where such degradation rate is consistent with industry standards;
6. Be capable of 365 charge and discharge cycles in each calendar year over the term of the PPA;
7. Supply energy at 60 hertz and voltage, with a phase and power factor approved by the Company; and
8. Supply energy at a voltage level compatible with the voltage level of the Company's system at the point of delivery.

MONTHLY RATES FOR GENERATION WITH STORAGE PPA CONTRACTS ONLY

I. Energy and Capacity Delivered to the Company's System

For all energy and capacity delivered to the Company's system, the Company will pay a rate set forth in the PPA with such rate to be determined by the Company's applicable Rate PR – Avoided Cost Methodology for such Generating QFs.

II. Storage

The Company will pay the Storage QF at a rate equal to the Storage QF Capacity Rate plus the Storage QF Energy-Shifting Rate (the "Storage QF Fixed Payment Rate").

- i. Storage QF Capacity Rate: \$5.56/kW-AC-month
- ii. Storage QF Energy-Shifting Rate: \$1.56/kW-AC-month

These rates for Storage QFs are available on a first come, first serve basis until the aggregate total nameplate capacity of the Storage QFs with executed PPAs exceeds 100 MW-AC.

III. Seller Charge

Seller shall pay the following Seller Charge each monthly billing period: \$45.00.

BILLING MONTH

A "Billing Month" is defined in this schedule as the time period between successive meter readings for the purpose of monthly billing. Readings are taken approximately once each month.

MONTHLY RATE DETERMINATION

The Company will be liable to the Seller each Billing Month for a fixed amount determined as the product of the Storage QF Fixed Payment Rate times the total applicable kW-AC discharge capacity of the Storage QF.

The Company will also be liable to the Seller each Billing Month for an amount determined as the sum of (4i) the product of the total kWh delivered to the Company's system times the per kWh rate for energy delivered to the Company's system and (2ii) the product of the total kWh delivered to the Company's system in those hours eligible for a capacity payment times the per kWh rate for capacity delivered to the Company's system.

The Seller will be liable to the Company each Billing Month for the Seller Charge regardless of the amount of energy delivered by the Seller to the Company.

PAYMENT TERMS

Payment terms will be described in the PPA.

SPECIAL PROVISIONS

The configuration of the Storage QF shall be subject to the Company's approval, and the Company shall have the right to inspect the Storage QF prior to operation.

The PPA shall contain ~~provisions related to the Company's right to operate the Storage QF, which may include requiring the Storage QF to implement the Company's operating instructions~~ (i) operating protocols whereby the Seller agrees to, among other things, operate in accordance with the Company's dispatch signals (e.g., charges and discharges) for the Storage QF, provided that such instructions are within the operating limits of the Storage QF, and (ii) a performance guarantee that is tied to the availability of the Storage QF, with such guarantee set at a threshold of 96%.

The Storage QF shall request interconnection service and take such service pursuant to South Carolina Generator Interconnection Procedures, Forms, and Agreement. The Storage QF and Generating QF may submit a single application for interconnection service.

LIMITING PROVISIONS

Exhibit No. __ (DFK-2)

Page 3 of 3

Company shall not be liable for purchase of ~~electricity~~ energy or capacity from a Storage QF or Generating QF pursuant to this schedule until Seller and Company have executed a PPA for the Storage QF and Generating QF.

Power discharged from the Storage QF may not be used to satisfy contractual requirements of the Generating QF such as performance requirements or power quality.

Non-intermittent Generating QFs must have interconnection service sufficient to simultaneously accommodate the combined power production capacity of the Generating QF and the Storage QF.

TERM OF CONTRACT

The term of the PPA shall be for ~~no more than~~ ten (10) years, unless the Company and Seller agree otherwise.
